

appropriate to reflect the differences between unit investment trusts and open-end management investment companies) and a schedule setting forth the number and date of each installment payment.

B. Condition for Exemption From Section 14(a)

Applicants will comply in all respects with the requirements of rule 14a-3, except that the Equity Trusts will not restrict their portfolio investments to "eligible trust securities."

C. Conditions for Exemption From Section 17(a)

1. Each sale of Equity Securities by an Index Trust, or Eligible Companies' securities by a State Trust, to a New Trust will be effected at the closing price of the securities sold on the applicable Exchange or the Nasdaq-NMS on the sale date, without any brokerage charges or other remuneration except customary transfer fees, if any.

2. The nature and conditions of such transactions will be fully disclosed to investors in the appropriate prospectus of each future Rollover Trust and new Trust.

3. The trustee of each Rollover Trust and New Trust will (a) review the procedures discussed in the application relating to the sale of securities from a Rollover Trust and the purchase of those securities for deposit in a New Trust and (b) make such changes to the procedures as the trustee deems necessary that are reasonably designed to comply with paragraphs (a) through (d) of rule 17a-7.

4. A written copy of these procedures and a written record of each transaction pursuant to any order granting the application will be maintained as provided in rule 17a-7(f).

For the Commission, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-31513 Filed 12-28-95; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 21618; 811-7684]

Household Personal Portfolios

December 22, 1995.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of Application for Deregistration under the Investment Company Act of 1940 (the "Act").

APPLICANT: Household Personal Portfolios.

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring that it has ceased to be an investment company.

FILING DATES: The application was filed on August 10, 1995 and amended on December 12, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on January 16, 1996 and should be accompanied by proof of service on the applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, NW., Washington, D.C. 20549. Applicant, 2 North LaSalle Street, Chicago, Illinois 60602.

FOR FURTHER INFORMATION CONTACT: Sarah A. Buescher, Staff Attorney, at (202) 942-0573, or Alison E. Baur, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is an open-end, diversified management investment company organized as a Massachusetts business trust. Applicant has five portfolios; Growth Equity Portfolio; Equity Income Portfolio; Fixed Income Portfolio; Tax-Exempt Income Portfolio; and Short-Term Income Portfolio.

2. SEC records indicate that applicant registered under the Act on April 28, 1993 by filing a notification of registration on Form N-8A pursuant to section 8(a) of the Act. Also on that date, applicant filed a registration statement on Form N-1A pursuant to section 8(b) of the Act and the Securities Act of 1933. The registration statement became effective on August 3, 1993, and the initial public offering commenced on the same date.

3. On December 19, 1994, after determining that applicant could no longer provide the desired safety, diversity, or earnings to shareholders

because of applicant's small asset base, applicant's board of trustees authorized the appropriate officers to enter into an Agreement and Plan of Liquidation ("Plan").

4. Pursuant to the Plan, applicant would be liquidated on February 28, 1995 ("Liquidation Date"), and on that date shareholders who had not redeemed their shares would have them automatically redeemed. Shareholders of applicant on or after December 19, 1994 would receive, upon redemption, the greater of (a) the shareholder's account balance (reflecting net asset value per share) on the date the redemption request is received or the Liquidation Date (whichever applies) or (b) the aggregate amount of the shareholder's purchase payments. Such payment method was used to ensure that shareholders would not receive less than their minimum initial investment. Household International, Inc., ("Household") the parent of applicant's manager/distributor, Hamilton Investments, Inc., agreed to compensate any shareholder of record on or after December 19, 1994 for the amount by which all purchase payments made by that shareholder exceeded the shareholder's account balance upon redemption.

5. On February 28, 1995, all outstanding shares of applicant were liquidated and the proceeds were paid in cash to the shareholders. Distributions to all securityholders in complete liquidation of their interests have been made. Applicant did not incur any brokerage commissions attributable to the disposition of its portfolio securities.

6. In connection with the liquidation, applicant incurred \$9,725 of aggregate expenses, consisting primarily of legal fees and mailing expenses, all of which were paid by Household. Household also reimbursed applicant for applicant's remaining unamortized organizational expenses of \$287,710.

7. As of the date of this application, applicant has no assets and no outstanding debts or liabilities. Applicant has no shareholders and is not a party to any litigation or administrative proceeding. Applicant is not presently engaged, nor does it propose to engage, in any business activities other than those necessary for the winding up of its affairs.

8. Applicant intends to file an instrument required to terminate its existence as a Massachusetts business trust.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-31510 Filed 12-28-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36625; File No. SR-Phlx-95-90]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Listing Standards for Options on Equity Securities Issued in a Reorganization Transaction Pursuant to a Public Offering or a Rights Distribution

December 21, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on December 19, 1995, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Phlx. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Phlx proposes to amend its listing standards in respect of options on equity securities issues in a spin-off, reorganization, recapitalization, restructuring or similar transaction where the issuance is made pursuant to a public offering or a rights distribution. The text of the proposed rule change is available at the Office of the Secretary, Phlx, and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, Phlx included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Phlx has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to amend the special listing standards set forth in Phlx Rule 1009, Commentary .05 that apply to options on equity securities issued in certain spin-offs, reorganizations, recapitalizations, restructurings or similar transactions (referred to herein as "restructuring transactions") so as to also include securities issued pursuant to a public offering or a rights distribution that is part of a restructuring transaction.

The proposed amendment to Rule 1009, Commentary .05 is intended to facilitate the listing of options on equity securities issued in restructuring transactions (referred to as "Restructure Securities") by permitting the Exchange to base its determination as to the satisfaction of certain of the listing standards set forth in Exchange Rule 1009 and Commentary .01 thereunder by reference to (1) specified characteristics of the "Original Security" in respect of which the Restructure Security was issued or distributed; (2) the trading market of the Original Security; (3) the number of shares of the Restructure Security issued and outstanding; or (4) to the listing standards of the exchange on which the Restructure Security is listed. Rule 1009, Commentary .05 would permit the Exchange to certify a Restructure Security as options eligible sooner than if it had to wait until it could base its certification on characteristics of the Restructure Security itself, but only in circumstances where the factors relied upon make it reasonable to conclude that the Restructure Security will in fact satisfy applicable listing criteria.

As recently approved by the Commission, Phlx Rule 1009, Commentary .05 does not extend to restructuring transactions involving the issuance of a Restructure Security in a public offering or a rights distribution.³ The questions raised by the proposed extension of Commentary .05 to Phlx Rule 1009 to reorganization transactions involving public offering or rights distributions reflect that when a Restructure Security is issued in a public offering or pursuant to a rights distribution, it cannot automatically be assumed that the shareholder population of the Restructure Security and the Original Security will be the same. Instead, the holders of a

Restructure Security issued in a public offering will be those persons who subscribed for and purchased the security in the offering, and the holders of a Restructure Security issued in a rights distribution will be those persons who elected to exercise their rights. Even in the case of a distribution of nontransferable rights to shareholders of the Original Security, not all such shareholders may choose to exercise their rights. As a result, it cannot be assumed that the Restructure Security will necessarily satisfy listing criteria pertaining to minimum number of holders, minimum public float and trading volume simply because the Original Security satisfied these criteria.

On the other hand, the Exchange believes that the same reasons for wanting to make an options market available without delay to holders of securities issued in reorganizations that do not involve public offerings or rights distributions apply with equal force to securities issued in reorganizations that do involve public offerings or rights distributions, so long as there can be reasonable assurance that the securities satisfy applicable options listing standards. That is, holders of an Original Security who utilize options to manage the risks of their stock positions may well find themselves to be holders of both the Original Security and the Restructure Security following a reorganization because they chose to purchase the Restructure Security in a public offering or to exercise rights in order to maintain the same investment position they had prior to the reorganization. Such holders may want to continue to use options to manage the risks of their combined stock position after the reorganization, but they can do so only if options on the Restructure Security are available. The Exchange believes that it is important to avoid any undue delay in the introduction of options trading in such a Restructure Security in circumstances where there is sound reason to believe that the Restructure Security does in fact satisfy options listing standards.

Accordingly, the Phlx proposes to add new paragraph (d) to Commentary .05 of Rule 1009, to address situations where a Restructure Security is issued pursuant to a public offering or rights distribution. Pursuant to the proposed rule change, the Exchange may certify the Restructure Security as satisfying minimum shareholder and minimum public float requirements on the basis provided for in approved Commentary .05(c), only after at least five days of "regular way" trading. Moreover, after due diligence, the Exchange must have no reason to believe that the Restructure

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 36020 (July 24, 1995), 60 FR 39039 (July 31, 1995) (order approving Commentary .05 to Phlx Rule 1009).